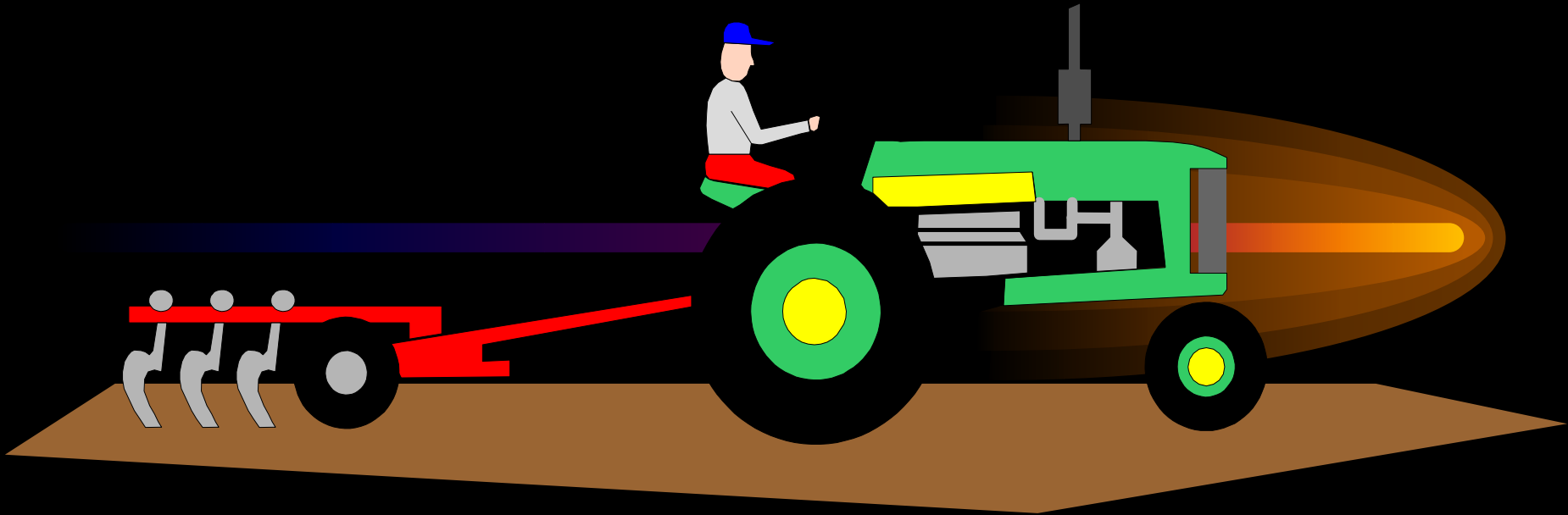


Streamlining Government Food Distribution 2000 Stories From the Front Line



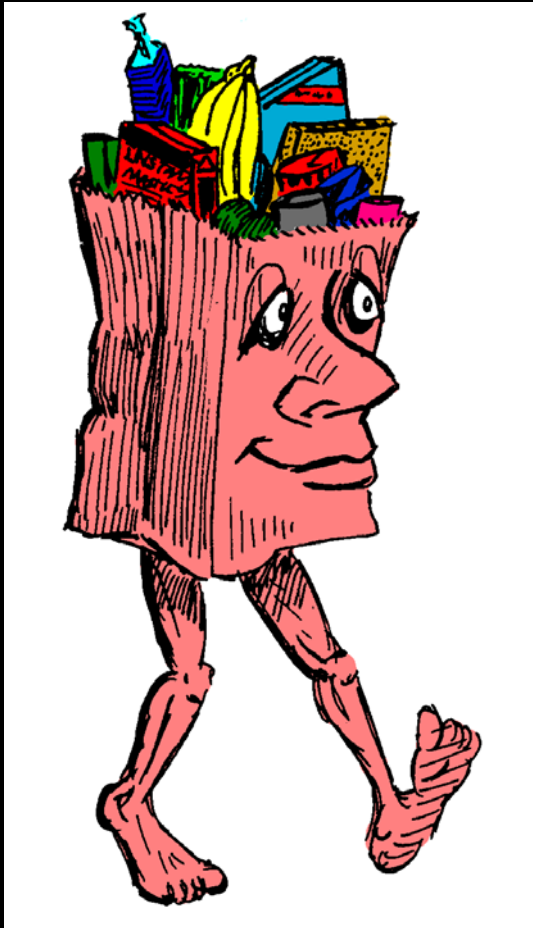
Agricultural Outlook Forum

Les Johnson, FNS; Howard Magwire, AMS
Cathie Johnson, FSA; Jesse Majkowski, FSIS
Barry Sackin, ASFSA



February 22, 2002

Food Distribution 2000 is:



Partnership of USDA agencies, partners, and customers to reinvent the commodity program.

The Commodity Programs

- USDA buys food product and sends it to schools, soup kitchens, food banks, elderly centers, and Indian reservations
- Serves US agriculture & recipients
- Over \$1 billion per year



Forces for change in the Commodity Program

- Growing customer dissatisfaction
- Private industry participation decreasing
- High/increasing nonvalue added costs
- Declining federal staff levels



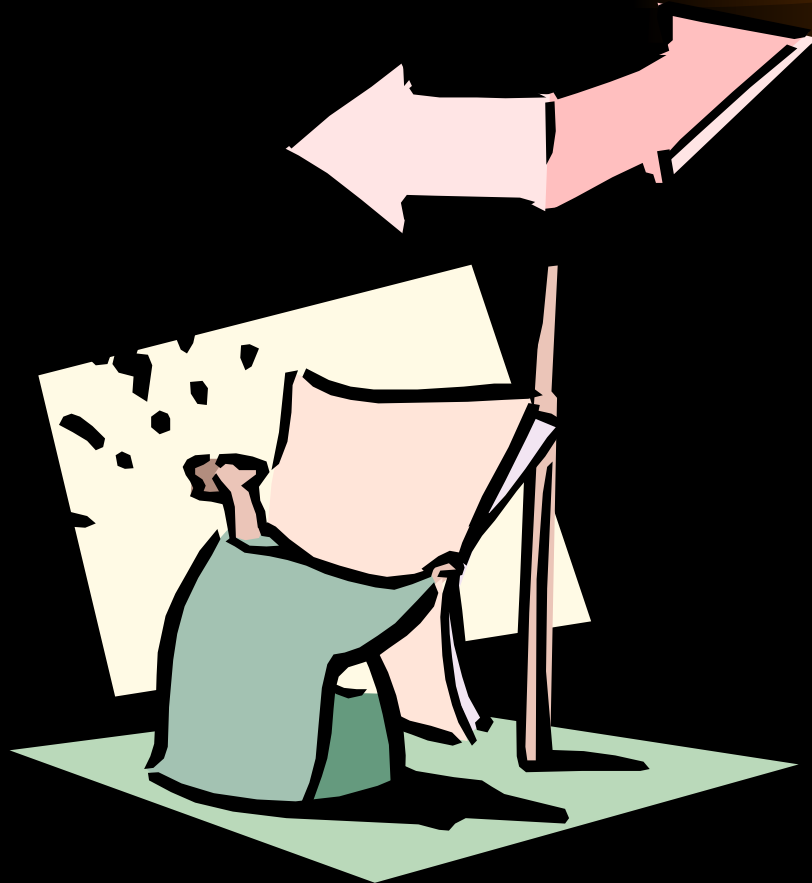
Seriousness of School Situation - Quotes



“It just seems to us, that we will never be able to solve the problems that come with commodities”

“.....four years ago the program was one vote shy of being eliminated in the House Education Committee”

How Did We Proceed?



BPR...also known as . . .



- Process Re-design
- Business Process Re-design
- Process Improvement
- Business Process Re-engineering
- Core Process Re-design
- Break-thru Engineering

What is it?

- It is a systematic way of bringing about change. A stepping back and seeing a new way of doing a particular business process.
- It involves rapid change vs... incremental change.



What Makes This Different?



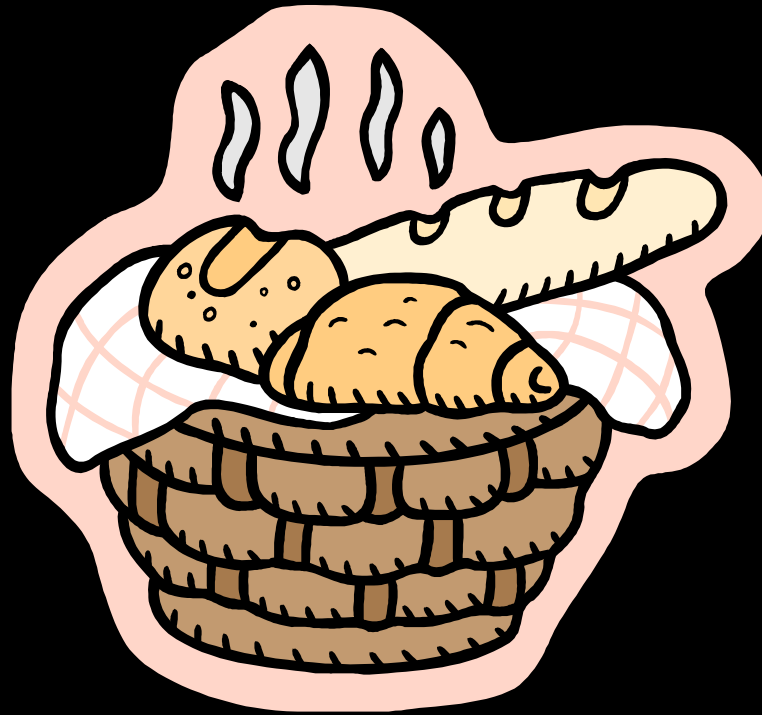
- Ground level involvement of customers and stakeholder on every team vs. taking input or putting out a proposal or regulation for comment
- An admission that we don't know the answers
- A belief that together we can make change in government

FD 2000 Commodity Reengineering

- **Fall 98:** Project launched
- **Winter 1999:** Intensive team meetings
- **Summer 2000:** Recommendations done
- **Fall 2000:** USDA decisions and report issued on changes to be made
- **Winter/Spring 2001:** Implementation plan, structure and teams assembled
- **Winter/Spring 2001:** Implementation



What Were the Results?



Commodity Program Improvements

- **Expand Use of Long Term Contracts**
- **Best Value Contracting**
- **Commodity Program Specification Review**
- **Commercial Labels**
- **National Umbrella Contracts**
- **Expand Full Substitution**
- **Seamless Commodity Distribution**
- **Processing Commodities of Limited Demand**
- **Develop Written Hold & Recall Procedures**

More Program Improvements

- **Computer Connectivity**
- **Single Point of Contact**
- **Pilot Test Improvements**
- **Use of 4/11 Funds for Commodity Purchases**
- **Relax Truckload Requirements**
- **Streamline Paperwork**
- **FDPIR Prime Vendor Pilot Delivery System in MWRO**
- **FDPIR/CSFP Multi-food Warehouse Contract**



Overall Results

- Improved service to end customers
- Streamlined operations requiring less staff
- Long term cooperative relationship established between agencies and stakeholders
- Industry involvement increased with new companies participating
- Widespread spirit of innovation and creativity
- Harshest program critics became program defenders

When so Many Fail....Why Did This one Succeed?



- Ground level involvement with all major stakeholders and customers
- Careful choice and use of professional consultants to lead the teams
- A structure that involved key senior managers but insulated them from day to day decision making
- A clear identified threat and deadline
- A Project Leader focused on process rather than a pre-determined outcome

Why is this so important?



- Government doesn't have competition to bring about improvement - they need another way
- Citizens increasingly expect service equivalent to what a good company gives
- Decreasing federal expenditures on non-defense programs means fewer staff
- It's the right thing to do

Five minutes to midnight...



For Additional Information



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